

**MINUTES OF THE QUARTERLY
CREDIT UNION REVIEW BOARD MEETING
(REGULAR SESSION)
January 8, 2018
10:00 a.m.**

**200 East Grand Avenue, Suite #370
Des Moines, Iowa**

I. CALL TO ORDER & ROLL CALL

Chairperson, Becky Zemlicka called the Quarterly Credit Union Review Board meeting to order at 10:02 a.m., Monday, January 8, 2018.

Board members present: Dave Cale, Becky Zemlicka, and Janet Pepper

Attendance via teleconference: Karyn Finn, Jeffrey Hayes and Timothy Marcsisak

Absent: Scott Zahnle

Division personnel present: Katie Averill, Superintendent, Kevin Gorman, Supervisory Examiner attended via telephone; Sara Larkin, Recording Secretary and Amanda Swangel, Information Technology Specialist.

II. PRESENTATION OF MEMBERS OF THE PUBLIC IN ATTENDANCE

Erin O'Hern, Policy Works

III. MINUTES OF THE PREVIOUS MEETING

Minutes approved by general consent.

IV. REPORT OF THE SUPERINTENDENT

Superintendent Averill reviewed the report with the Review Board regarding Division activities. It was mentioned that the quarter ended with 89 credit unions as there were three mergers completed. There is one merger pending, Bent River Community Credit Union in Davenport voted to merge with Marine Credit Union in Wisconsin. No additional merger applications were received. There were no new name changes this quarter and no dissolutions or charter applications received this quarter. There were two new branch offices approved and one branch closing. Three ATM applications approved in the quarter. There were two Small Employee Group applications received with 8 potential members. There were 19 complaints closed in the quarter and 5 complaints are still pending.

Supervisory Examiner Kevin Gorman mentioned that the two new examiners completed their probationary period in December and have accepted full-time status. These examiners have

now been assigned their own districts. All Examiners have attended at least one training course in the fourth quarter sponsored by NCUA or the FFIEC. Additional training will also be held via conference calls and through online webinars. The Division continues to receive positive feedback from the Credit Unions as the flex examination program continues. Most exams are on a 12 month cycle, however with this flex program fully implemented, this will allow for most exams to extend to an 18th month cycle and track reduced onsite presence and travel costs. The Division is currently monitoring 10 credit unions on monthly reporting and no Letters of Understanding and Agreement or other administrative actions are in force. There were 16 examinations completed with assets totaling over 6.6 billion and 8 of these examinations were conducted jointly with NCUA.

V. UNFINISHED BUSINESS

An overview was given by Superintendent Averill on the timing of the rules and drafting procedures. She mentioned there is a schedule for rule making with the first submission date provided on November 1, 2017. The first possible effective date would then be February 21, 2018 with possible expiration of notice after 100 days to May 21, 2018. There have been no changes on the status to the two pieces of legislation submitted. The administrative rules are also pending and in progress. The 2018 legislative session has begun today, January 8th.

VI. NEW BUSINESS

Amanda Swangel, the Division's Information Technology Specialist gave an update regarding a few recent projects that involve the Division. The Commerce Department website is being developed which is maintained by the Credit Union Division because Superintendent Averill is the Commerce Department director. This project is being funded with grant money allocated through the Iowa Access funds and contracted with Webspec through a state master agreement. Amanda is also working on upgrading the Division's internal processes and systems. Amanda and the Division are in discussions with the Office of the Chief Information Officer (OCIO) exploring needs and options with their development team.

Superintendent Averill provided a staffing update regarding an offer pending for the Division's vacant Executive Officer 3 position.

VII. OPEN DISCUSSION

Superintendent Averill stated that she has been asked to be involved in a focus group representing Iowa with the NCUA regarding the topic of Alternating Exams. The NCUA is proposing to implement an Alternating Exam process and a pilot program has been developed. It has been addressed that some states have a great need for help with the examination process. Currently three different scenarios have been discussed for states and the examination process. 1). The IDCU and the NCUA would be involved in exams independently. 2). The NCUA would be involved jointly as they are now with the Division. 3). The Division or the NCUA would be the lead in charge of the examination alternately every other year. Superintendent Averill has been in discussions to receive feedback from the credit unions.

VIII. NEXT MEETING DATE

The next meeting is scheduled for April 9, 2018.

IX. ADJOURNMENT OF OPEN SESSION

Chairperson, Becky Zemlicka adjourned the meeting at 10:37 a.m.